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7 **UNITED STATES DISTRICT COURT**  
8 **EASTERN DISTRICT OF WASHINGTON**

9 United States of America,

10 Plaintiff,

v.

11 Julio Leal Parra,

12 Defendant.

**No. 4:19-CR-06061-SAB-1**

Second Supplemental Briefing re:  
Defendant's Motion for Detention  
Review (ECF No. 87)

*January 6, 2020 at 11 a.m.*  
*Magistrate Judge Dimke*

## I. Introduction

Defendant, Mr. Julio Parra, respectfully requests the Court consider his second supplemental briefing regarding his motion for pretrial release, and order his pretrial release. The Court should order Mr. Parra's release on a bond of \$150,000 secured by property, and under conditions recommended by U.S. Probation, ECF No. 45, with the additional pretrial release condition that Mr. Parra not be permitted to leave or be removed from the Eastern District of Washington.

## II. Background

Mr. Parra moved for pretrial release on November 19, 2019. ECF No. 87. Then, on November 26, 2019, counsel moved the Court for an order substituting counsel, ECF No. 98, and the Court granted the motion on December 2, 2019, ECF No. 100. After changing counsel, Mr. Parra moved the Court for leave to file sealed supplemental briefing pertaining to the issue of pretrial release on December 11, 2019, ECF No. 132, however his motion to seal was ultimately denied because it was too vague, ECF No. 146.<sup>1</sup> Nevertheless, the Government

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<sup>1</sup> Along with this second supplemental briefing, and for completeness of the record, Mr. Parra has filed his first supplemental briefing with the appropriate redactions pursuant to Fed. R. Crim. P. 49.1(a) rather than pursuing his motion to seal those materials.

1 filed its response to Mr. Parra's proposed sealed briefing on December 18, 2019,  
2 and a pretrial release hearing was held on December 19, 2019 before Magistrate  
3 Judge Dimke, ECF No. 148.

4 At the hearing, there were discrepancies regarding the amount of proceeds  
5 realized from sales of Mr. Parra's real estate. Mr. Parra's brief, submitted through  
6 counsel, erred by: (1) depicting the purchase price of Mr. Parra's former Pasco,  
7 Washington home as \$21,500, *see* ECF No. 154-5; (2) not identifying the gross  
8 sale proceeds from the sale of the commercial building; (3) inaccurately relying  
9 on public records to identify values for Mr. Parra's real estate transactions; (4)  
10 inaccurately characterizing the transfer of "Su Karne" from Mr. Parra to his son,  
11 Mr. Borquez, as a sale, when it was actually a gift; and (5) failing to trace  
12 proceeds from the sales of real estate and a business so that the Court could  
13 assess Mr. Parra's current financial situation.

14 The Court continued the pretrial release hearing, ECF No. 149, and asked  
15 Mr. Parra to clarify his assets. This briefing is intended to clarify Mr. Parra's  
16 assets, and provide further outstanding information to the Court.

### 17 **III. Discussion**

#### 18 **A. Proposed property collateral**

##### 19 *1. Mr. Parra's Benton City, Washington home*

20 Mr. Parra purchased the Benton City, Washington home for \$224,000 in  
21 August 2017. *See* Exhibit 20. He paid \$500 in earnest money and \$10,000 as an  
22 interest-balloon payment to Ms. Suzanne Carnevali as trustee, and \$10 to Mr.  
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1 Jeffrey Truman as seller, to obtain possession of the home. *Id.* Mr. Parra only  
2 paid \$10 to Mr. Truman because Mr. Parra assumed the entire debt obligation of  
3 \$224,000 owed to Ms. Carnevalli on the seller-financed sale of the property she  
4 previously made to Mr. Truman. *Id.*; see also ECF Nos. 154-2 and -3. Mr. Parra  
5 owes a remaining balance of \$209,040.75. See Exhibit 21 (account ledger for  
6 house payments). The Benton City home is worth \$295,000, see ECF No. 154-4,  
7 and Mr. Parra has \$85,959.12 of equity in the home.

8 *2. Mr. Parra's parents' home in Kennewick, Washington*

9 Mr. Parra's parents purchased their home in Kennewick, Washington in  
10 December 2017 for \$91,252. See Exhibit 37 (appraisal). It is currently valued at  
11 \$200,000. *Id.* They owe a remaining balance of \$87,359.62 on their mortgage.  
12 See Exhibit 38 (receipt). Thus, they have \$112,640.38 of equity in their home.

13 **B. Mr. Parra's former Pasco, Washington home**

14 Mr. Parra purchased his home in Pasco, Washington in September 2003  
15 for \$91,577. See Exhibit 22 (2003 settlement statement). He paid \$21,500 for the  
16 land, \$53,075.58 for the manufactured home placed on the land, \$16,742.81 in  
17 settlement costs, and \$33.30 in county taxes. *Id.* He borrowed \$88,000 from  
18 Wells Fargo to pay for this house. *Id.*; see also Exhibit 23 (note); and Exhibit 24  
19 (deed of trust).

20 Mr. Parra sold this property in April 2018 for \$146,000. See Exhibit 25  
21 (2018 settlement statement). After fees and costs, and payment of the

1 outstanding mortgage balance of \$63,889.58 to Wells Fargo, Mr. Parra received a  
2 net payment of **\$71,707.63** from the sale of this home. *Id.*

### 3 **C. The commercial building in Kennewick, Washington**

4 Mr. Parra purchased the commercial building in December 2009. He  
5 purchased the building under a real estate contract for a total purchase price of  
6 \$250,000 (\$245,000 for the real estate and \$5,000 for equipment). *See* Exhibit  
7 26 (real estate contract for purchase of commercial building). Under the real  
8 estate contract, Mr. Parra paid \$3,397 up-front (price of closing costs), received a  
9 rent credit of \$20,000, and owed monthly installments of \$2,564.04 on the  
10 remaining \$230,000 debt. *Id.* at “Closing Statement.”

11 Mr. Parra sold the commercial building in January 2018 for \$340,000. *See*  
12 Exhibit 27 (seller’s estimated closing statement). After paying the remainder of  
13 his debt obligation under the real estate contract from purchasing the building as  
14 well as other fees and costs, Mr. Parra received a net payment of **\$81,484.18**  
15 from the sale of the commercial building and financed \$140,000 under a real  
16 estate contract between Mr. Parra and the buyers. *Id.* (the *estimated* closing  
17 statement identifies net payment of \$81,626.35); Exhibit 28 (real estate contract  
18 for sale of commercial building); *but see* Exhibit 30 (bank statement showing  
19 *actual* net payment of \$81,484.18 on January 24, 2018).

20 Then, in December 2018, Mr. Parra sold his right to payment under the  
21 real estate contract from the sale of the commercial building and received a net  
22 payment of **\$102,032.10**. *See* Exhibit 29 (closing statement and accompanying  
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documents for the sale of the commercial building real estate contract); *see also* Exhibit 31 (bank statement showing deposit of \$102,032.10 on December 28, 2018).

**D. Proceeds from the real estate sales went towards opening “Su Karne” meat market.**

*1. Proceeds from the Pasco home and the commercial building sale (not including the sale of the note)*

After receiving the payment of \$81,484.18 from the sale of the commercial building in January 2018, Mr. Parra transferred \$84,000 from his personal checking account to his personal savings account. *See* Exhibit 29 (transaction on January 26, 2018). He then transferred **\$119,500** from his personal savings account into a new account for “Rod Investments,” which ran “Su Karne” meat market. *See* Exhibit 32 (bank statement for “Rod Investments” showing January 31, 2018 transfers of \$114,500 to new checking account and \$5,000 to new savings account).

The **\$71,707.63** obtained from the sale of the home in Pasco, Washington were deposited directly into “Rod Investments” bank account on April 27, 2018. *See* Exhibit 33 (April 2018 bank statement for “Rod Investments” *and* check images for deposits).

Thus, Mr. Parra contributed a total of **\$191,207.63** towards starting “Su Karne” in the beginning of 2018. Of those moneys, \$153,191.81 were direct proceeds of the sales of the Pasco home and the commercial building, and \$38,015.82 came from Mr. Parra’s savings. *See* Exhibit 30.

1 Mr. Parra's contribution moneys were then spent opening and operating  
2 the meat market. *See* Exhibit 34 (representative sample of moneys paid).<sup>2</sup> He  
3 paid to renovate the business' location so it could house a meat market, he  
4 purchased equipment for the business, he purchased merchandise for the  
5 business, and he paid business expenses with his contribution moneys. *Id.* In  
6 sum, all of Mr. Parra's \$191,207.63 contribution moneys were spent opening and  
7 operating "Su Karne."

8 *2. Proceeds from the sale of the commercial building real estate contract*

9 Mr. Parra received \$102,032.10 from the sale of the commercial building  
10 real estate contract. *See* Exhibit 31. Those funds were deposited in his personal  
11 checking account on December 28, 2018. *Id.* Those funds were then used to cover  
12 Mr. Parra's living expenses over the course of the next year until his arrest in this  
13 matter, as Mr. Parra was no longer operating his upholstery business and  
14 eventually withdrew from his role at the meat market.

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18 <sup>2</sup> Mr. Parra has provided 698 check images from "Su Karne's" account to counsel.  
19 Rather than produce the same to the Court, Mr. Parra is providing a  
20 representative sample to the Court that shows the costs expended towards  
21 opening and operating the meat market and confirm his contribution moneys  
22 were spent and depleted.

1 **E. Tracing of proceeds from the sale of “Su Karne” meat market**

2 Mr. Parra gifted “Su Karne” to his son, Mr. Julio Borquez in July 2019. He  
3 legitimately transferred the meat market to his son because the business was  
4 failing and he wanted to provide his son, who was a co-owner of the business, the  
5 opportunity to turn it around or sell it.

6 Mr. Borquez ultimately decided to sell the business. He sold the business in  
7 August 2019 for \$250,000. *See* ECF No. 154-13. When Mr. Borquez sold the  
8 business, he received a net payment of **\$88,988**. *Id.* The buyer also paid  
9 \$10,000 towards the business’ outstanding payroll taxes to Washington State  
10 Department of Labor and Industries and Washington State Employment Security  
11 Department, and \$1,012 in prorated rent. *Id.* As for the remaining \$150,000 of  
12 the purchase price, the buyer transferred ownership of the 2018 Ford F-150 Ford  
13 Lightning truck, which the parties valued at \$50,000, and the buyer financed the  
14 remaining \$100,000 purchase obligation directly with Mr. Borquez, agreeing to  
15 make ten monthly installment payments of \$10,000. *Id.*

16 Mr. Borquez spent the \$88,988 he received from the sale of the meat  
17 market covering debts and living expenses for the family. He paid \$20,562 to the  
18 Washington Department of Revenue. *See* Exhibit 35 (Dept. of Revenue Receipts).  
19 He paid \$21,926.27 to the Washington Department of Labor and Industries. *See*  
20 Exhibit 36. Mr. Borquez further indicates he covered two of the family’s house  
21 payments at a cost of \$3,342 once his dad was arrested in this matter, and  
22 covered the remaining balance on his former apartment at a cost of \$4,590. He  
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1 also indicates he paid \$4,074 to cover debts owed to equipment lessors and  
2 vendors of the meat market, and \$1,077 to the Washington Department of  
3 Employment Security. In sum, the \$88,988 received from the sale of the meat  
4 market has been spent covering debts from the meat market and family expenses,  
5 and Mr. Borquez expects to receive another six instalment payments of \$10,000  
6 from the sale of the meat market.

#### 7 **IV. Conclusion**

8 In summary, Mr. Parra respectfully requests the Court order his pretrial  
9 release in this matter. His release should be secured by a property bond of  
10 \$150,000 (the combined sum of the equity in Mr. Parra's Benton City home and  
11 his parents' Kennewick home is \$198,599.50). The Court should allow his pretrial  
12 release to be secured by a property bond, because Mr. Parra does not have the  
13 funds to post a cash bond, and because the proceeds from the sales of real estate  
14 and the meat market have been depleted, as outlined above. For these and the  
15 reasons outlined above and in the first supplemental briefing provided by Mr.  
16 Parra, ECF No. 154, the Court should order Mr. Parra's pretrial release.

17  
18 Respectfully submitted this 1st day of January 2020.

19 MAXEY LAW OFFICE PLLC

20 s/ Bevan J. Maxey

21 **Bevan J. Maxey**, WSBA No. 13827  
22 Attorney for Defendant, Julio Leal Parra

**Certificate of Service**

I hereby certify that on January 1, 2020, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF System which will send notification of such filing to the following, and/or I hereby certify that I have mailed by U.S. Postal Service the documents to the following non-CM/ECF participant(s):

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